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CENTRAL INTELLIGENCE AGENCY  
OFFICE OF NATIONAL ESTIMATES

17 September 1951

Memorandum for the Director of Central Intelligence

Subject: Significance of Soviet-East German Rail and Canal  
Construction in Berlin

The Soviet-East German authorities are constructing a railway by-pass encircling Berlin and a canal which, when completed, will eliminate the necessity of their traffic passing through the Western Sectors of the city. Completion of these traffic by-passes will ensure complete Soviet control over East German external and internal passenger and freight traffic. It is estimated that the railway ring will be completed by January 1952 and that the canal, which will free the Communist authorities of the present necessity of sending barge traffic through waterways in the British Sector of Berlin, will be completed between August 1952 and January 1953.

There are apparently two reasons for the Communist construction of the railway by-pass: (1) to ensure adequate capacity for internal German rail traffic, and (2) to free Berlin rail traffic from the possibility of Allied interference. There is a real, even acute, economic need for a rail by-pass of Berlin. Pre-war Berlin had such a by-pass, generally referred to as the Outer Rail Ring. This ring was partially dismantled and removed in 1945 by the USSR. As the East German economy recovered and existing rail facilities became inadequate, the Soviet authorities began to reconstitute the Outer Ring.

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It is, however, obvious that a major consideration in the reconstruction of the Outer Ring is to by-pass the Allied sectors. Instead of reconstructing those segments of the Outer Ring which cross the Western Sectors, the Communists have gone to considerable expense and effort to construct new rail lines which do not pass through them. Much smaller expenditures on the rail segments crossing the Western Sectors would have increased the total capacity of the Outer Ring more than the construction of these parallel lines.

The completion of the 35 kilometer long Neiderneuendorf-Paretz Canal will mean that the Elbe-Oder waterway traffic need no longer transit the British Sector of Berlin. In the past, Allied interdiction of this waterway traffic, particularly important in German-Polish trade, has proved to be an important countermeasure to Soviet harassing tactics in Berlin. The new canal will, therefore, make the Soviet position in Berlin less vulnerable to Allied counteraction.

Communist independence of the Western Powers for a right of way through Berlin by rail or canal does not necessarily mean that the USSR will impose a complete blockade of the city when these facilities are completed. Major political and economic considerations, such as the greatly increased East-West tension that would arise and the effect of a blockade on East-West German trade, would be involved. It must, however, be recognized that the completion of both construction projects by late 1952 will decrease Soviet vulnerability to Allied countermeasures and may, therefore, increase the likelihood of the imposition of additional harassing measures and/or a complete blockade.

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